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*Hearing Date: November 19, 2012*  
*Objection Due Date: September 28, 2012*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re: Residential Capital, LLC, et al.

Case No.: 12-12020 (MG)

Chapter 11

Debtors.

**OBJECTION OF INTERNATIONAL BUSINESS MACHINES CORP. TO NOTICE OF  
(I) DEBTORS' INTENT TO ASSUME AND ASSIGN CERTAIN EXECUTORY  
CONTRACTS, UNEXPIRED LEASES OF PERSONAL PROPERTY, AND UNEXPIRED  
LEASES OF NONRESIDENTIAL REAL PROPERTY AND  
(II) CURE AMOUNTS RELATED THERETO**

International Business Machines Corp. ("IBM") files this objection (the "Objection") to the *Notice of (I) Debtors' Intent to Assume and Assign Certain Executory Contracts, Unexpired Leases of Personal Property, and Unexpired Leases of Nonresidential Real Property and (II) Cure Amounts Related Thereto* (the "Notice of Assumption and Assignment") served on IBM by the debtors and debtors-in-possession in the above captioned proceeding (collectively, the "Debtors"), and in support thereof respectfully represent as follows:

**BACKGROUND**

1. On May 14, 2012 (the "Petition Date") the Debtors filed voluntary petitions under Chapter 11 of the Bankruptcy Code commencing this jointly administered bankruptcy case (the "Bankruptcy Case"). The Debtors are presently operating and managing their property as a debtor in possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

2. By the motion dated May 14, 2012 (the “Motion”), the Debtors sought, among other things, (i) authorization and approval of certain proposed procedures (the “Sale Procedures”) with respect to two proposed sales (the “Sale Transactions” or “the Sales”) by certain of the Debtors of (a) the Purchased Assets (as such term is defined in the Asset Purchase Agreement by and between Nationstar Mortgage LLC and certain of the Debtors (the “Nationstar APA”)); and (b) the Purchased Assets (as such term is defined in the Asset Purchase Agreement by and between Berkshire Hathaway Inc. (“BH”) and certain of the Debtors (the “BH Legacy APA,” together with Nationstar APA, the “APAs”)); (ii) scheduling of a hearing on the Sales (the “Sale Hearing”) and setting objection deadlines and bidding deadlines with respect to the Sales and Auction; (iii) approving the form and manner of notices for (a) an auction of the purchased assets (the “Auction”) and (b) the Sale Hearing; and (iii) the assumption and assignment of certain executory contracts and unexpired leases (collectively, the “Assumed Contracts”) in connection with the sale of the Purchased Assets pursuant to the Nationstar APA (the “Assumption and Assignment Procedures”).

A. The IBM Contracts

3. Prior to the Petition Date, debtor GMAC Mortgage, LLC f/k/a GMAC Mortgage Corporation and Palisades Technology Partners entered into a Consulting and Development Master Agreement dated February 22, 2002 (the “Master Agreement”) with regards to certain proprietary computer software applications that the debtor owned or wished to develop. A true and correct copy of the Master Agreement is attached to the Declaration of Brian D. Feder as **Exhibit 1**. IBM subsequently became the successor in interest to Palisades Technology Partners under the Master Agreement.

4. Prior to the Petition Date and pursuant to the terms and conditions of the Master Agreement, debtor GMAC Mortgage, LLC f/k/a GMAC Mortgage Corporation and IBM entered into an Amended and Restated Statement of Work dated December 27, 2011, effective as of January 1, 2012 (the “Amended SOW”). A true and correct copy of the Amended SOW is attached to the Feder Decl. as **Exhibit 2**. The Master Agreement and the Amended SOW are collectively referred to as the “IBM Contracts.”

### **OBJECTION**

5. The Notice of Assumption and Assignment identifies the IBM Contracts as executory contracts that the Debtors may attempt to assume and assign in conjunction with the Sales. The Notice of Assumption and Assignment also lists a cure amount of \$0.00 that would be payable upon such assumption and assignment. The Cure amount identified by the Debtors is incorrect. The correct cure amount is \$331,860.00. The amount consists of \$326,910.00 for invoice C12BS5B, dated 03/29/12, plus \$132,167.00 for invoice MB00926, dated 05/30/12, minus \$127,217.00 paid on 08/02/12 for the portion of invoice MB00926 that covered amounts incurred post-petition. A true and correct copy of invoice C12BS5B is attached to the Feder Decl. as **Exhibit 3**. A true and correct copy of invoice MB00926 is attached to the Feder Decl. as **Exhibit 4**.

6. IBM therefore objects to the proposed cure amount, but otherwise does not object to the assumption and assignment of the IBM Contracts.

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**WHEREFORE**, IBM prays that this Court require the correct cure amount, as specified herein, to be paid to IBM in connection with any assumption and assignment of the IBM Contracts.

Dated: September 25, 2012      Respectfully submitted,  
**WOLF GROUP L.A.**

By: /s/ Ellen K. Wolf  
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